



County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

May 10, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF PUBLIC WORKS:
SPECIAL ENFORCEMENT BUREAU REPLACEMENT FACILITY
RESCIND AGREEMENT AND AWARD AGREEMENT AND CONTRACT
SPECS. 6551; CAPITAL PROJECT NO. 77397
(FIRST DISTRICT) (3 VOTES)**

SUBJECT

This action will rescind a previously awarded consultant agreement and award a consultant services agreement and a contract for construction of the new vehicle service building and covered car wash, which is the final component of the Special Enforcement Bureau Replacement Facility Project located on Eastern Avenue Hill.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Rescind the consultant agreement with the lowest bidder, Scrimsher Construction, Inc., to prepare a baseline construction schedule for the Special Enforcement Bureau Replacement Facility Project.
2. Award a consultant services agreement to the second lowest bidder, DLE Construction, Inc., to prepare a baseline construction schedule for a \$3,500 not-to-exceed fee and establish the effective date thereof.
3. Delegate to the Director of Public Works the authority to determine, in accordance with the applicable contract and bid specifications, whether DLE Construction, Inc., has timely prepared a satisfactory baseline construction schedule and satisfied all conditions for contract award,

"To Enrich Lives Through Effective And Caring Service"

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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

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May 10, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

including the criteria adopted by your Board for contract award; to award and execute the construction contract, in the form previously approved by County Counsel, with DLE Construction, Inc., if determined to be the Lowest Responsive and Responsible Bidder; and to establish the effective date of the contract upon receipt by the Director of Public Works of acceptable Faithful Performance and Payment bonds and evidence of required contractor insurance.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will rescind the previously awarded consultant services agreement with the lowest bidder, Scrimsher Construction, Inc. (Scrimsher), and award a consultant services agreement to the second lowest bidder DLE Construction, Inc. (DLE), to prepare a baseline construction schedule; and allow the Department of Public Works (Public Works) to award a contract for construction of the new vehicle service building and covered car wash, which is the final component of the Special Enforcement Bureau (SEB) Replacement Facility Project (Project) located on Eastern Avenue Hill, to DLE, if determined to be the Lowest Responsive and Responsible Bidder.

Background

On February 16, 2010, your Board authorized Public Works to finalize the plans and specifications for the remaining work of the Project, which includes the new vehicle service building and covered car wash. The new vehicle service building will provide work space to address repair and modifications to specialty vehicles used by SEB. Plans and specifications for these remaining Project components have been completed.

On December 14, 2010, your Board approved the plans and specifications; instructed the Executive Officer of the Board of Supervisors to advertise for bids to construct the Project; and authorized the Director of Public Works to execute a consultant services agreement with the Lowest Responsive and Responsible Bidder to prepare a baseline construction schedule. The December 2010 action also delegated authority to the Director of Public Works to determine and award and execute a construction contract with the Lowest Responsive and Responsible Bidder.

On January 11, 2011, Public Works received six bids for the Project. At that time, the apparent Lowest Responsive and Responsible Bidder was determined to be Scrimsher, with a bid of \$750,233; and on February 24, 2011, Public Works executed a consultant services agreement with Scrimsher to prepare a baseline construction schedule for the Project.

On March 22, 2011, Scrimsher notified the County that they planned to cease business due to bankruptcy and would not be performing on the Project. They have withdrawn their bid for the Project and have confirmed that they are not entitled to any compensation under the consultant services agreement. Scrimsher was not awarded a construction contract.

Award Agreement and Contract

The second lowest bidder from the January 11, 2011, bid opening is DLE, with a bid of \$797,865. Public Works is recommending that your Board award DLE a consultant services agreement to prepare a baseline construction schedule for the Project. If, upon review of the baseline construction schedule, Public Works determines, in accordance with the applicable contract and bid specifications, that DLE has timely prepared a satisfactory baseline construction schedule and satisfied all conditions for contract award, including the criteria adopted by your Board for contract award, Public Works will deem DLE to be the Lowest Responsive and Responsible Bidder, and award and execute the construction contract, in the form previously approved by County Counsel; and will establish the effective date of the contract, upon receipt by the Director of Public Works of acceptable Faithful Performance and Payment bonds and evidence of required contractor insurance.

The proposed consultant agreement with DLE to prepare a baseline construction schedule that conforms to the County's schedule specifications is critical to successfully manage the construction activities by both the contractor and the County, and a responsible contractor must be able to produce such a construction schedule. Bid specifications provide that if the apparent lowest bidder fails to complete an acceptable schedule, the bidder may be determined to be nonresponsive and that the Director of Public Works may recommend awarding the construction contract to the next lowest bidder, contingent on the next lowest bidder's completion of a baseline schedule that conforms to the County's specifications (see State Public Contracting definitions in the Facts and Provisions/Legal Requirements Section). These recent events have delayed the Project approximately four (4) months.

Sustainable Design Program

The Project supports your Board's Sustainable Design Program by using energy efficient light fixtures with light sensor controls and water-saving plumbing fixtures. It is anticipated that there will be savings due to a reduction in electricity and water consumption as a result of the sustainable elements included in the design.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that we provide Operational Effectiveness (Goal 1) by establishing a centralized area for SEB operations and the relocated Sheriff's Training Academy to provide Homeland Security Training. It also supports Public Safety (Goal 5) by investing in public infrastructure to improve the safety and security of the people of the County of Los Angeles.

FISCAL IMPACT/FINANCING

On February 20, 2007, your Board approved a revised total Project budget of \$16,057,000 for the SEB Replacement Facility Project, which includes plans and specifications, plan check, consultant services, County services, equipment, and construction. To date, approximately \$11.2 million has been expended utilizing previously Board-approved agreements and contracts to accommodate SEB's operations through renovation of the existing administration, kitchen and gymnasium buildings, and related site work. The new vehicle service building and covered car wash are the remaining components to complete the Project.

Public Works' fair construction cost estimate for the base construction contract for the new vehicle service building and covered car wash is \$1,450,000. DLE's bid for \$797,865, when combined with the previously completed components, is within the Board-approved total Project budget of \$16,057,000.

Sufficient funds are available in the Fiscal Year 2010-11 Capital Projects/Refurbishments Budget under Capital Project No. 77397 to fund the construction contract and project.

The Project Schedule and Budget Summary are included in Attachment A.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The contract contains terms and conditions supporting your Board's ordinances and policies, including, but not limited to: County Code Chapter 2.200, Child Support Compliance Program; County Code Chapter 2.202, Contractor Responsibility and Debarment; County Code Chapter 2.203, Contractor Employee Jury Service Program; County Code Chapter 2.206, Defaulted Property Tax Reduction Program; Board Policy 5.050, County's Greater Avenues for Independence and General Relief Opportunities (GAIN/GROW); Board Policy 5.060, Reporting of Improper Solicitations; Board Policy 5.110, Contract Language to Assist in Placement of Displaced County

Workers; and Board Policy 5.135, Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law).

Applicable law, including the State Public Contract Code, requires the County to award construction contracts to the apparent Lowest Responsive and Responsible Bidder, which refers to the firm that: (1) submits the bid with the lowest cost; (2) is deemed by the County to be "responsive" to specific criteria under the solicitation, including, but not limited to, licensure, bonding, and insurance requirements; and (3) is determined by the County to be a "responsible" bidder by exhibiting the quality, fitness, capacity, experience, and trustworthiness to satisfactorily perform the work required under the bid solicitation.

To ensure that the contract is awarded to the Lowest Responsive and Responsible Bidder with a satisfactory history of performance, bidders are required to report violations of the False Claims Act, criminal convictions, civil litigation, defaulted contracts with the County, complaints filed with the contractors' State License Board, labor law/payroll violations, and debarment actions. As provided for in Board Policy 5.140, the information reported by the contractor will be considered before making a recommendation to award.

As required by your Board, language has been incorporated into the Project specifications stating that the contractor shall notify its employees, and shall require each subcontractor to notify its employees that they may be eligible for the Federal Earned Income Credit under the Federal income tax law (Federal Income Tax Law, Internal Revenue Service Notice 1015).

Per your Board's Civic Art Policy adopted on December 7, 2004, and revised on December 15, 2009, the Project cost does not include an allocation for the Civic Art Fund because the Project was authorized prior to approval of the Civic Art Policy.

ENVIRONMENTAL DOCUMENTATION

On November 30, 2004, your Board approved the Mitigated Negative Declaration (MND) and adopted the Mitigation Measures and Monitoring Program prepared by David Evans and Associates, for this Project. On January 24, 2006, your Board approved an addendum to the MND, which addressed additional grading work, and determined the changes were not substantial and would not involve new significant environmental effects or a substantial increase in previously identified significant effects, such that no subsequent MND was required pursuant to Sections 15162 and 15164 of the California Environmental Quality Act guidelines. The recommended actions are

within the scope of the project in the previously approved MND and addendum to the MND. A Notice of Determination was filed with the Registrar-Recorder/County Clerk.

CONTRACTING PROCESS

A standard contract, in the form previously approved by County Counsel, will be used. The standard Board-directed clauses that provide for contract termination, renegotiation, and hiring qualified displaced County employees, will be included in the contracts.

Advertising for bids was in accordance with the County's standard Instruction Sheet for Publishing Legal Advertisements.

As requested by your Board on February 3, 1998, this contract opportunity was listed on the Doing Business with Us website.

The contract requires the contractor to pay its employees applicable prevailing wages in accordance with the California Labor Code.

Participation by Community Business Enterprises (CBEs) in the Project is encouraged through Public Works' Capital Projects' CBE Outreach Program and by monitoring the good faith effort of bidders to utilize CBEs.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

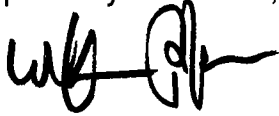
Public Works and the Sheriff's Department will take the appropriate measures to minimize any impacts on departmental operations during completion of the SEB Replacement Facility Project.

The Honorable Board of Supervisors
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CONCLUSION

Please return one adopted copy of this letter to the Chief Executive Office, Capital Projects Division; the Department of Public Works, Project Management Division II; and the Sheriff's Department, Facilities Planning Bureau.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR:DJT
DKM:TJ:zu

Attachment

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Affirmative Action Compliance
Arts Commission
Public Works
Sheriff

U:Boardletters2011/Word/CapProjs/SEB Svc Bldg Rescind Agmt 51011

May 10, 2011

ATTACHMENT A

**DEPARTMENT OF PUBLIC WORKS:
SPECIAL ENFORCEMENT BUREAU REPLACEMENT FACILITY
RESCIND AGREEMENT AND AWARD CONTRACT
SPECS 6551; CAPITAL PROJECT NO. 77397
(FIRST DISTRICT) (3 VOTES)**

I. PROJECT SCHEDULE

Project Activity	Scheduled Completion Date	Revised Completion Date
Design		
Contract Execution	03/03/10	03/17/10*
Construction Document Submittal	05/01/10	05/24/10*
Jurisdictional Approval	07/26/10	11/04/10*
Bid and Award	04/06/11	07/25/11
Construction Substantial Completion	10/20/11	03/12/12
Acceptance	05/08/12	02/04/13

* Indicates completed activity

II. PROJECT BUDGET SUMMARY

Budget Category	Total SEB Replacement Facility Project Budget
Relocation Costs	\$ 100,000
Construction	
Construction Contracts	\$ 5,073,199
Bid Contingency (0 percent)	0
Change Orders – Construction	\$ 2,642,248
Demolition	0
Utility Connection Fee	0
Departmental Crafts	0
Youth Employment	0
Equipment	0
Construction Consultants	0
Misc. Expense	0
Telecomm Equip – Affixed to Building	0
Civic Art	N/A
Subtotal	\$ 7,715,447
Equipment	\$ 250,000
Plans and Specifications	\$ 1,662,917
Consultant Services	
Deputy Inspection	\$ 36,500
Site Planning	0
Methane Consultant	\$ 243,030
Geotech/Soils Test	\$ 202,666
Material Testing	\$ 20,000
Cost Estimating/Constructability Reviews	\$ 20,000
Topographic Surveys	0
Construction Management	0
Construction Administration	0
Environmental	0
Move Management	0
Equipment Planning	0
Legal	0
Scheduling	0
Contract/Change Order	0
Other	\$ 0
Subtotal	\$ 522,196

II. PROJECT BUDGET SUMMARY (continued)

Budget Category	Total SEB Replacement Facility Project Budget
Miscellaneous Expenditures	
Printing/Other	\$ 590,000
Furniture, Fixtures, and Equipment	0
Subtotal	\$ 590,000
Jurisdictional Review/Plan Check/Permit	\$ 94,500
County Services	
Code Compliance and Quality Control Inspections	\$ 70,200
Design Review	0
Design Services	0
Contract Administration	\$ 40,000
AED Support Services	0
Project Management	\$ 138,721
Project Management Support Services	\$ 100,000
Secretarial	\$ 5,000
Document Control	\$ 5,000
ISD Job Order Contract Management	0
DPW Job Order Contract Management	0
ISD ITS Communications	0
Project Security	0
Project Technical Support	\$ 10,000
Consultant Contract Recovery	\$ 15,000
Office of Affirmative Action	\$ 9,500
County Counsel	0
County Services	\$ 484,289
Subtotal	\$ 877,710
Other Prior Project Expenditure	\$ 2,643,807
Contingency (Unforeseen Site Conditions)	\$ 1,600,423
Subtotal	\$16,057,000